



Embrace empathy in utility bill communications

Effective customer-centric communication strategies for reaching LMI customers

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Key takeaways

- Utilities can make bills easier to understand by explaining terms and how they calculate charges.
- Customer preferences for paying and communicating via email increases as income increases.
- When making payments and communicating with their utility, low- and moderate-income (LMI) customers prefer more-personal interactions, like phone calls to customer service agents.
- Customers should feel understood, safe, empowered, excited, and committed throughout regular billing communications and campaigns.

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Rising inflation and the lasting impacts from the COVID-19 pandemic have made it challenging for many utility customers to pay their bills, particularly LMI customers. Utilities know the burden of higher bills isn't the same for all customers. That's why more utilities are offering programs to improve energy equity and better support

customers. But utility communicators have an important role to play in this process.

Learn more about your residential customers

To help you engage with your customers and better serve them, we conducted the E Source [Residential Products, Programs, and Services](#) survey. Check out the survey to see critical customer insights from US respondents about their interest and participation in utility programs and services and their adoption of energy-related products.

By understanding customers' emotions at different billing touchpoints, your team can communicate more effectively about high bills, rate increases, billing assistance programs, and payment options. To build an equity-focused communication approach, we recommend:

- Developing a comprehensive understanding of how different customers engage with their finances and utility bills
- Improving how your utility communicates information about payment options and programs through human interactions and online channels
- Infusing empathetic messaging that aligns with customers' emotions, values, and concerns

Customers' budgeting behaviors have changed

Utility customers' budgeting behaviors have changed since we last surveyed them about this topic in 2015. According to the E Source [2022 Residential Products, Programs, and Services](#) survey results, 28% of respondents said they have a strict budget for their energy costs. This is a noticeable increase from 17% of respondents in 2015. And in 2022, 38% of customers said they have a loose budget—a decrease from 50% in 2015.

In addition, LMI customers were more likely to say they have a strict energy budget each month. Among LMI respondents, 40% said they have a strict monthly energy budget and exceeding that budget is a problem.

Overall, our market research findings suggest that more people are mindful about their finances. To help customers with strict budgets, use the bill as an opportunity to offer budgeting advice, energy-savings tips, and information on billing assistance programs.

LMI customers struggle to understand energy bills

Insights from the Residential Products, Programs, and Services survey show customers' understanding of their energy bills decreases as income decreases (**figure 1**). LMI customers were the least likely to say it's very easy to understand their electric bills.

Figure 1: Customers' understanding of their electric bill by income

Compared to other income groups, LMI customers tend to be less likely to say they understand their electricity bill well.



Make your bills easier to understand by breaking down what different bill terms mean and how your utility calculates it. For example, use plain language and limit industry-specific terms customers could have trouble understanding. Using simple graphs to show energy usage and larger, bolded text for money due and the due date are other ways to make the bill easier for customers to follow.

Different income groups prefer different payment methods

The E Source [US Residential Customer Insights Center](#) compiles data from the Claritas Energy Behavior Track annual online survey of about 32,000 residential customers in the US (conducted in partnership with E Source). Utilities rely on this tool to understand their residential customers' behaviors and attitudes around energy consumption.

Data from the US Residential Customer Insights Center shows the most common channels customers of all income levels use to pay their bills are through:

- An online automatic payment
- A service provider's website

But findings also show that different income groups vary in their preferred payment methods.

By understanding your customers' preferred payment methods, you can meet customers where they are in their journey and offer resources they need to pay via those methods. For example, if you know an income group prefers to pay over the phone, provide them with the contact number they need to do so. Taking the time to identify and understand your customers' preferences will make your billing communications more effective and empathetic.

High-income customers prefer online interactions

Customers' use of autopay increases as their income increases. At least 40% of customers who have household incomes of \$75,000 or more annually pay their electric bills through autopay, compared to the 29% who have household incomes under \$25,000 annually.

We see a similar trend for natural gas bill payment channels. As customers' income increases, their use of in-person, over-the-phone, postal mail, and text message channels decreases. High-income customers are more

likely to pay their bills via automatic payment or online through their bank's website.

LMI customers prefer human interactions

LMI customers are more likely than other income groups to pay their bills at walk-in customer service centers and over the phone via an automated system. And LMI customers seem to prefer more-personal and more-agent-heavy interactions when making bill payments. They tend to pay their bills in person, over the phone, and via text message.

Knowing that LMI customers prefer personal interactions, consider highlighting in your billing communications your in-person bill payment options. Help customers by including a contact number they can call to pay their bill over the phone. Also include the address of the nearest walk-in center so customers can easily find where to pay in person.

Different income groups prefer different communication channels

Segmenting customers by income helps you deliver the right messages to the right customers through the right channels. Data from the 2023 [US Residential Customer Insights Center](#) shows that email is the most preferred channel for receiving information on billing changes across all income levels.

But when learning about billing changes and seeking assistance, LMI customers tend to prefer more personal, agent-heavy interactions. Their preferred communication methods include in-person interactions, phone calls, postal mail, and text messages.

To make sure your communications are as effective as possible, reach out to customers through their preferred channels. Holding information sessions at public events and walk-in centers is a great way to inform LMI customers about billing changes and answer their questions. Including a contact number on post cards announcing changes is a good way to combine two preferred communication channels and give LMI customers more ways to get information they need.

Use storytelling to connect with customers' emotions

By presenting your company and its offerings in a story narrative, you can entertain your customers and help them better remember your offerings. You can also influence how people feel about your utility's brand and highlight your unique value. To learn more about making storytelling part of your communications, check out the [8 storytelling frameworks for utilities](#).

Effective messaging connects with customers' emotions

With a customer-centric approach, the utility isn't just a service provider—it's a supportive partner in changing how customers see themselves. And making emotional connections during certain journey touchpoints is an important part of creating a customer-centric communication culture.

Connecting to specific emotions can make it easier to create and distribute empathetic messaging about bills. When structuring your utility's campaigns, design communications that make your customers feel:

- Understood
- Safe
- Empowered
- Excited
- Committed

Tapping into these five emotions can develop customers' trust in your solutions and belief in your utility's role as a customer ally.

Make LMI customers feel understood

When receiving billing communications, customers should feel understood first. Understanding a customer's situation shows that you value and acknowledge their needs and concerns. This acknowledgment shouldn't be only an empathetic gesture; it should also be a commitment from your utility to providing tailored solutions. It goes beyond just transactional interactions by signaling to customers that their experiences matter.

In your messaging, let customers know you understand what they're feeling and experiencing. PPL Electric Utilities did this well in its social media post addressing customer frustrations with high bills (**figure 2**). In the post, PPL makes customers feel understood by:

- Using empathetic language to tell customers their concerns are valid
- Apologizing for the time it has taken to address customers' concerns
- Telling customers that support is available
- Providing a link for customers to find answers to questions

Figure 2: PPL addresses customer billing frustrations in social media posts

PPL's post uses empathetic language to let customers know the utility has heard their frustrations and is working to help them.

Make LMI customers feel safe

Receiving a utility bill—especially during peak seasons or times of financial struggle—can be a negative experience for many customers. After your customers feel understood, address their anxiety and stress by making them feel safe.

Your messaging can help customers feel safe when it emphasizes your authority and creates a sense of belonging and connection. This can look like:

- Highlighting your employees and what makes them trustworthy, like their expertise or experiences
- Promoting your utility’s authority on billing assistance
- Explaining utility processes for dealing with their personal information
- Showing how customer feedback informs program development
- Creating brand advocates from employees or customers
- Showcasing specific information about how you support the community

For example, PNM used social media to reach customers with information about its Summer Heat Bill Help Fund (**figure 3**).

Figure 3: PNM provides relief to LMI customers during a heatwave

PNM shares how it provided large-scale relief to more than 20,000 LMI customers during a record-breaking summer heatwave. The utility highlights the number of customers helped and amount of funding.

Make LMI customers feel empowered

Once your customers feel understood and safe, make them feel empowered to make changes. Providing proof that your programs, products, and services actually work can reinforce customers’ belief that your offerings can positively impact their lives.

In your communications, feature customer testimonials, participation statistics, and stories of how your utility has helped people in a specific, meaningful way. Central Hudson Gas & Electric did this in a Facebook post about its Consumer Outreach team (**figure 4**).

Figure 4: Central Hudson empowers customers through its Consumer Outreach team

Central Hudson’s post details how team members addressed billing questions and provided information on payment and special assistance programs. It also explains steps that consumers can take to save

energy and money.

View this post on Instagram

[A post shared by Central Hudson \(@central_hudson\)](#)

Make LMI customers feel excited

Your bill payment programs may be the light at the end of the tunnel for some LMI customers. Encourage and motivate them by clearly describing the options available to them and giving them a roadmap to success.

Huntsville Utilities (HU) does this well in its video advertisement for its weatherization assistance program (**figure 5**). The video features an upbeat voiceover and a step-by-step guide showing customers how to apply to the program online.

Figure 5: HU uses videos to build excitement about programs

HU uses videos to show customers exactly where to find information about its weatherization assistance program on its website and how to apply. The video also gives customers a roadmap, detailing what happens in each step of the program so they know what to expect.

Make LMI customers feel committed

The final step is to make customers feel that now is the right time to act. Create a sense of urgency by telling customers help is available now. Communicate that if they act fast, they can resolve their payment problems and take advantage of:

- Limited program enrollment
- Seasonal or limited-time walk-in or contact center hours
- Short-term funding or grants
- Limited tickets to upcoming events
- Reward or loyalty programs

Memphis Light, Gas and Water (MLGW) creates urgency in its Instagram post about when the community office will be open (**figure 6**).

Figure 6: MLGW posts about open hours at its community office

The post tells customers the office is open to assist them with billing issues for a limited time and at one

in-person location.

View this post on Instagram

[A post shared by Memphis Light Gas & Water \(@mlgwofficial\)](#)